



Optimizing SSP Finland's service concept in compensation situations using an electronic voucher system

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Bachelor's Thesis
Degree Programme in International
Business
2013



International Business

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Title of report Optimizing SSP Finland's service concept in compensation situations using an electronic voucher system.	Number of pages and appendices 61 + 4
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<p>This Bachelor's Thesis analyzes case company SSP Finland's service concept in compensation situations and makes developmental recommendations in order to optimize the process. The study is based on an electronic voucher tool that the case company wants to further utilize in the aforementioned situations.</p> <p>The case company SSP Finland is the leading provider of restaurant and cafeteria services at Helsinki-Vantaa airport. SSP Finland cooperate with travel agencies and in case there is a delay or cancellation in a flight departure travel agencies compensate flight customers by offering free products from SSP Finland's kiosks and cafés. Currently this is done manually but SSP Finland wants to transform this process onto an electronic platform.</p> <p>The study started in the spring of 2012 when the author contacted SSP Finland. The thesis topic was worked on by the commissioning company and the author. This thesis studies a real life business problem.</p> <p>The research consists of a theory part containing a study of service design, B2B buying behavior and certain aspects of service management. A qualitative research in the form of thematic interviews follows. The qualitative research covers current and potential clients. The purpose of the interviews was to find out why compensations are not handled electronically, and how the electronic voucher process needs to be modified in order make it the superior option.</p> <p>The research revealed that there were several practical problems related to the electronic voucher which were the reason why travel agencies had been reluctant to invest in it. The reasons were categorized into three types: Unfunctioning technology, insufficient compensation content and non-strategic marketing. Based on the gathered information and categorization a service optimization plan was created.</p>	
Keywords Service design, compensation, case study, service optimization, B2B, B2C	

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1 Introduction

This is a Bachelor's Thesis that is done in cooperation with the case company Select Service Partner (SSP) Finland. This paper studies a real life phenomenon in the field of Marketing and Communications. Primary purpose of this research is to enhance SSP Finland's and its associated businesses' compensation process and practice using an electronic voucher tool often referred to as digivoucher.

The situation where the electronic voucher practice would be applied to is when a flight customer has to wait a prolonged time in case of a delay in departure or complete cancellation of a flight. This is when travel agencies compensate their customers for wasting their time. This happens for example by offering free products from nearby stores. Company SSP Finland will be introduced in the next subchapter.

1.1 Case company background

SSP Finland is an affiliate of the bigger international corporation SSP - The Food Travel Experts. SSP Finland provides restaurant, café, kiosk and lounge services at Helsinki-Vantaa airport. The company operates more than 20 service points at the gate and public areas and conference services at the Helsinki Airport Congress. They have 450 employees in Finland at the moment (SSP Finland).

SSP Finland has been a very sound and stable company financially in recent years. It has managed to increase net revenues with a solid record despite fluctuations in passenger growth volumes in Helsinki-Vantaa airport. For example in 2010 growth in passenger volume was negative as it settled in -0.8%, meanwhile SSP Finland managed to increase their net revenues by 6.2% to 31.5 million euros. The same year they made 3.6 million in profits (National board of patents and registration of Finland 2011.) 2011 saw huge growth as SSP Finland increased their net revenues by 26.0% to EUR 39.7M while making a profit of 4.5 million euros (National board of patents and registration of Finland 2012). Latest fiscal year was also successful as net revenues grew by 9.7% to EUR 43.6M leading to profit of 4.7 million euros (National board of patents and registration 2013).

The mother company SSP Group is the leading expert in food- and beverage services in travel and traffic hubs around the world. It has over 60 years of experience and globally it employs over 30 000 people. SSP Group operates in 140 airports and 250 railway stations in over 30 countries. They run several famous brands such as Burger King, Pizza Hut, Starbucks, Caffè Ritazza and Robert's Coffee (SSP Finland.)

1.2 Background to the thesis topic

The initial idea was that I would do my thesis for Starbucks. Knowing that the coffee chain giant is just about to establish their business in Finland in the near months it felt really intriguing and many topic ideas emerged by itself. After some research about Starbucks' market entry I discovered that SSP Finland is the business partner that would actually be in charge of the whole process of running the cafeterias. SSP Finland was then contacted in regards of gaining more knowledge about the whole process and possibilities to write a thesis on one of the potential topics. I soon discovered that Starbucks' brand and operations are highly controlled and many of the topic ideas would have been challenging to study in real life. However SSP Finland had many ideas of their own and they were excited to have somebody willing to research topics of their own need. After sending several emails and visiting airport venue to meet Jussi Laakso, the director of operations and marketing, we came to a conclusion that the topic that this paper studies is a fresh, relevant and needed.

1.3 Research problem

The premise for this thesis topic is SSP Finland's willingness to modernize the process of flight customer compensation. The way it currently works is that travel agencies must write a piece of paper for each of the flight customers in a situation where there has been a delay or cancellation in flight departure. Customers then take these manually written documents to SSP Finland's kiosks or cafeterias where they are handled and compensating product or service is provided. SSP Finland would like to make this whole procedure electronic. As mentioned this would happen by using an electronic voucher as the tool to handle the whole compensation situation, but travel agencies

have been somewhat reluctant to make this change. This leads us to the topic of this thesis paper:

“How to optimize SSP Finland’s service concept in compensation situations using an electronic voucher system?”.

This research and its results can be used as a reference internationally. This applies to other Nordic countries especially because SSP has very similar business processes and brands in these countries.

1.3.1 Project objective

The objective of this research is to study travel agencies’ experiences, needs and wants regarding the use of electronic voucher in compensation situations for the enhancement and optimization of SSP Finland’s service concept. Basically this means finding a common language for all of the partners involved in the process to disclose the issues that have prevented progress from happening. Means of gathering the information will be explained in Research design and methods (chapter 3).

1.3.2 Investigative questions

Investigative questions (IQ) are a set of questions that ask the most essential issues in the research. If these can be answered well, the outcomes of this thesis ought to be pleasing for each facet involved. The IQs are the following:

1. Studying travel agencies’ wants, needs and thoughts for the different use purposes of the electronic voucher.
 - Motivational/discouraging factors?
2. Business prospects of the electronic voucher.
 - Potential?
3. Optimizing usefulness of the electronic voucher.

Optimizing usefulness of the voucher means prerequisites for implementing the e-voucher system and optimizing the functionality for maximum attractiveness and best results.

The interviewees of this study are in crucial positions in their respective companies when it comes to acquiring and managing such systems. Their opinions and thoughts are the most important source of information that is needed for making decisions about digivoucher. A more specific introduction to the interviewees will be given in the empirical part of this research.

1.3.3 Electronic voucher

I figured that it is important to explain how the technology and the process work. The electronic voucher, or digivoucher, is sent and received via text message to targeted customers. The text message includes a code (usually a QR-code in smart phones) that contains information of what the customer gets. The technology is not dependent on phone model but rather, it works no matter what type of phone customer has.

There are three companies involved in the process of electronic voucher compensation: SSP Finland, travel agency and Steam Communications which is the owner and provider of the technology. Travel agencies make an order of digivouchers to SSP Finland, SSP Finland then handles the order and forwards the information to Steam which processes the information and prepares correct digivouchers and sends them back to SSP Finland with an invoice. SSP Finland then charges travel agencies of *used* digivouchers. This is illustrated in figure 1 below.

SSP Finland currently does not use digivouchers in compensation situations but one travel agency is using digivouchers with SSP Finland to a different purpose. This will be explained later in this study. Electronic compensation process has been tested with various groups with varying results. This will also be examined later in this report.

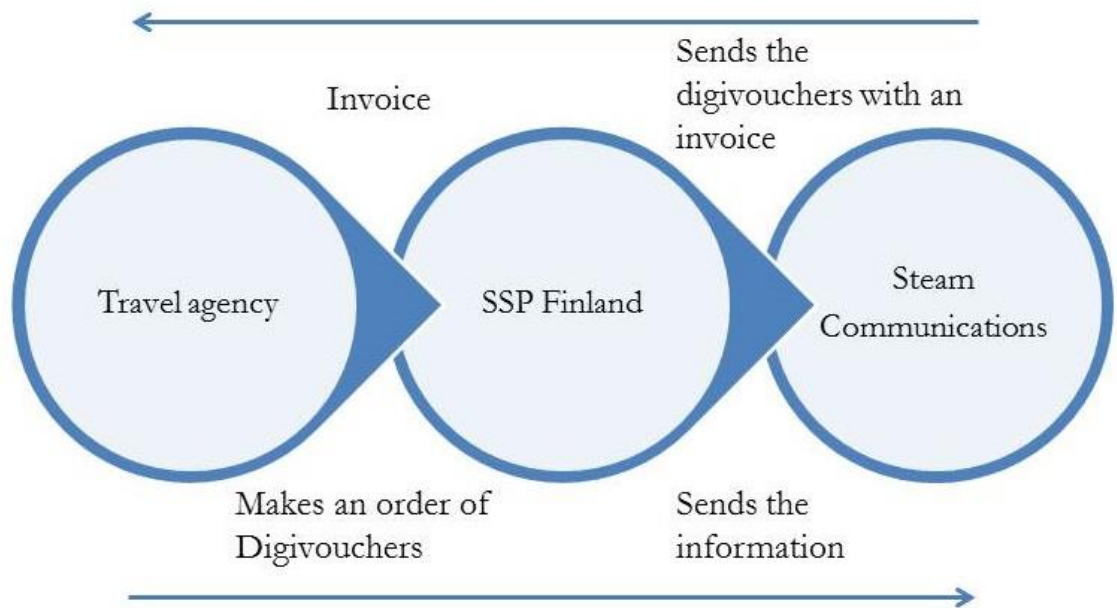


Figure 1. Digivoucher process cycle.

1.3.4 Anticipated benefits

In this chapter the anticipated benefits of the research are speculated. The main emphasis is naturally on case company's expected benefits but also other factors are listed that will be beneficial to different stakeholders if and when this new electronic compensation system is implemented.

The reason why SSP Finland is engaged in this compensation process is ensured sales that happen prior to delays or cancellations of flights. Travel agencies proactively pay for the service for just-in-case situations. This process and sales system has already been in use for years but it is about time to evolve along the ever-changing world where technological advancements change the way business is done. "By challenging the current model and exploring new ways to drive success, one can design new models that symbiotically create value for the market and enterprise." (Fraser 2010, 42.) With this research I will try to discover the negative issues related to the voucher so that changes can be made and SSP Finland can further utilize digivoucher and thus add more value to their service.

If the compensation procedure is fast and fluent it is also likely that flight customers will purchase other products besides the freebies and that will have an even further positive effect on sales and profitability.

After this study SSP Finland will also have a much broader understanding on their b-to-b customers. Understanding customer behavior and preferences will certainly be valuable for the case company.

The case company has expressed that there is a high need for this study which also benefits me, the researcher. I believe it is highly valuable for myself to be involved in investigating a real life business problem and learn about project management, problem-solving and business decisions.

SSP Finland customers (travel agencies) benefit by having to pay for only the used vouchers, which are their necessary overhead anyway. This system also decreases costs of material handling, because there is no manually handled action needed at all if the electronic system is applied. Naturally one benefit is that they will have a modern ready-made thought-through voucher compensation system available which is much faster than the current system. In a recent survey more than 80 percent of companies named customer experience as being among their top five strategic priorities in the coming year (Soudagar, Iyer & Hildebrand 2012, xix) and what better way to enhance customer experience than a fast and fluent compensation situation.

1.3.5 Extent of research

Quite often while conducting a research there is abundance of information and it is easy to lose track of what is important to the topic in question. The investigative questions form the core issues that need to be studied but in this sub-chapter I will demarcate areas that do not quite belong to this study specifically.

First of all the purpose of this study is not to develop the technology of the digivoucher. It is likely that issues related to product development will emerge during the inter-

views and I will definitely take a note on them but further actions need a separate study.

Even though I will generally study the overall usability of the e-voucher in this research the primary purpose and an emphasis is on usability in compensation situations. This is what is meant by “optimizing service concept”; finding the optimal way of running the service and guiding what needs to be done for successful implementation to compensation procedures.

1.4 Key concepts

Certain concepts will be brought up on several occasions during this study. These and other very relevant concepts for the thesis and phenomena it studies are defined in this sub-chapter.

Electronic voucher (also referred to as e-voucher, digivoucher, voucher) is different from paper exchange that holds value in paper, electronic vouchers store value electronically (Amtrak).

Most of us have already seen use of electronic vouchers in some form, for example QR codes. In our case the channel is always mobile phones.

Compensation is giving value back to the customer in some form for service or product failure. Customer reimbursement is a good synonym. These are usually monetary refunds, discounts or freebies.

Business to business buying behavior also referred to as B2B or B to B. Businesses want to be successful and they buy to satisfy rational needs. However it is individuals within companies who make the final buying decision. Company needs can be quantified but individual behavior in organizations has many qualitative elements that influence the buying decision. (Vitale, Giglierano & Pfoertsch 2011, 52.)

Service design helps to innovate (create new) or improve (existing) services to make them more useful, usable, desirable for clients and efficient as well as effective for organizations (Moritz 2005, executive summary).

Service management is about monitoring and optimizing a service to ensure that it meets the critical outcomes the customer values and stakeholders want to provide (Hurwitz, Bloor, Kaufman & Halper, 2009).

2 Framework for theory

The second chapter of this thesis comprises the theoretical phenomenon behind this topic. In the beginning the theoretical framework is illustrated and in the following sub-chapters a deeper study of each of the subjects is made.

The purpose of theoretical part is to present existing studies and research related to the topics discussed in this thesis.

2.1 Introduction

After careful reflection on the thesis topic I have come to a conclusion about the different phenomena that covers the theoretical aspects of the thesis. There is so much that could be covered in theory parts of all different theses but in this research I narrowed down the theoretical subjects to these three:

- B-to-B buying behavior
- Service design
- Service management

These subjects are in no specific order but the framework in the next sub-chapter will illustrate how the different subjects are interrelated. Also it needs to be noted at this point that all the aforementioned subjects are wide topics themselves but they will be broken down and their significance to the topic of this thesis will be specified in their respective sub-chapters. Some of them have direct effects on SSP Finland's attempts to sell the electronic compensation system to airlines and some of them are indirect phenomena that exist in the background but still play a significant role in the situation.

2.2 Theoretical framework

The three previously mentioned major subjects form the frame for the theoretical aspect of this thesis. They are illustrated in the figure below (Figure 2).

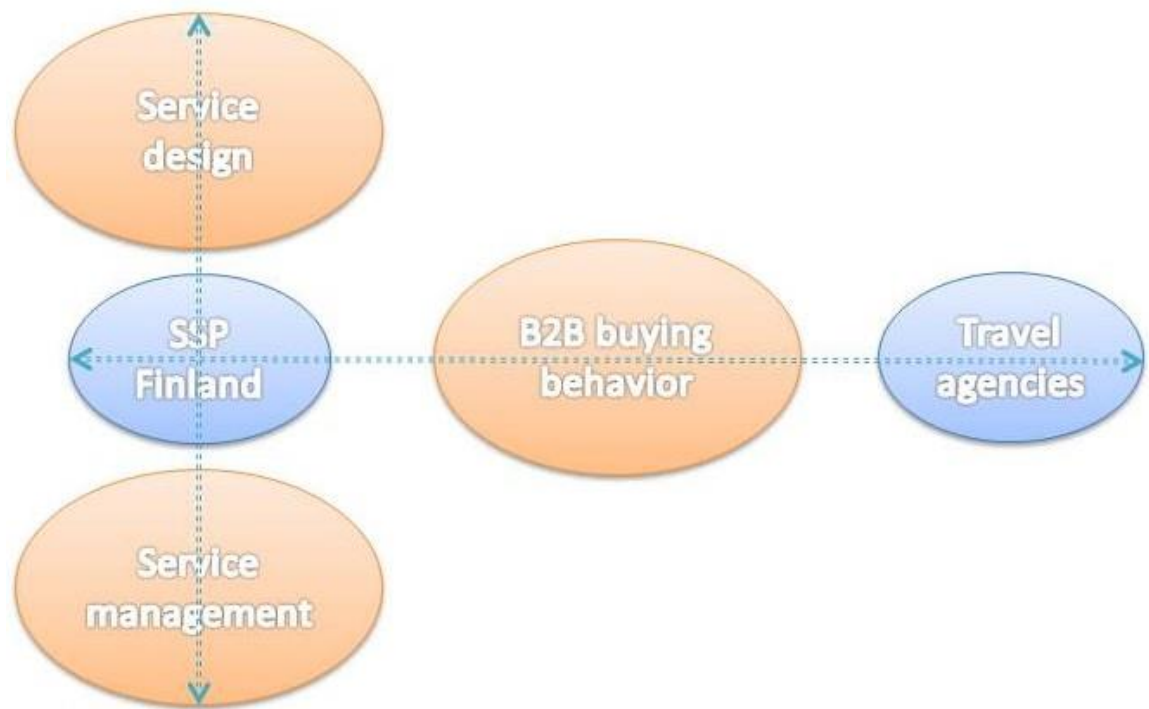


Figure 2. Theoretical framework

SSP Finland wants to add a new element to their service to increase their service value. A strategic change in service concept falls under category of “service design”. There are various compensation elements that need to be managed and these belong to subject “service management”.

Travel agencies are the customers SSP Finland is trying to sell this electronic system to. They have been reluctant to make changes to the current compensation service model. Thus it is crucial to study different aspect of B2B buying behavior to better understand what has hindered progress from happening. All this information will be utilized in latter part of this thesis paper where conducted interviews and other primary research are analyzed.

In the following sub-chapters these theoretic subjects are studied in-depth.

2.3 Service design

At the end of the day the phenomenon that is studied in this thesis is about service design and service design thinking. There are numerous definitions for service design

and for example Stickdorn and Schneider (2011, 28) state that if you ask 10 people what service design is, you will get at least 11 different answers. However let's take a few definitions from different experts of the field. "Service design is all about making the service you deliver useful, usable, efficient, effective and desirable" (UK Design Council, 2010). Many of the different definitions have in common the emphasis on renewing or recreating the provided service to make it more attractive for the customers and more efficient for the service provider itself. Stefan Moritz (2005, executive summary) defines it in the same fashion by saying that service design helps to innovate (create new) or improve (existing) services to make them more useful, usable, desirable for clients and efficient as well as effective for organizations. Perhaps the simplest and easiest definition comes from 31 Volts Service Design. "When you have two coffee shops right next to each other, and each sells the exact same coffee at the exact same price, service design is what makes you walk into one and not the other" (31 Volts service design 2008.)

For the sake of sparing readers from excessive repetition no extra definition will be presented since they all communicate the same message about enhancing services and processes to reach a more desirable and holistic end-user experience.

According to Tuulaniemi (2011, 24) service design is concrete action that combines both users' needs and expectations and service provider's commercial aspirations and turns them into well-functioning services. He highlights that the outputs of service design are economically, socially and ecologically feasible services. This matches well with the research case because transformation from paper to electronic platform is a change that strives for economic and ecological benefits and also reflects social change.

Many researchers also emphasize the importance of experience, by eliciting emotions and achieving a limbic response from customers. Angelis & Pinheiro de Lima (2011, 85-86) argue that value is determined not only through the products and services themselves, but by the value they create as perceived by the customers. Through their services organizations seek to elicit favorable customer experiences that stimulate the

behaviors of repetition and service promotion by using networks (Dhaliwal, Macintyre & Parry 2011, 7). So how does service design help companies do this?

Service design has an essential feature that to certain degree distinguishes it from traditional service development. Many researchers and academics highlight the strong involvement of customers in service design development. Indeed interaction is one of the key elements in service design and design thinking. Professor Miettinen (2011, 22) states that service design combines the areas of cultural, social and humane interaction. This means that service design tools work efficiently to enhance services in their targeted areas and to *their targeted customers*.

2.3.1 Service design process

In this sub-chapter various models are presented of how to successfully carry out service design process and what strategic decisions need to be made in order to have a coherent and integrated service concept.

Fraser (2010, 35) from University of Toronto, states that through expanding design thinking across the organization and throughout the business development process, an enterprise can open up new opportunities, set more dramatic growth strategies, and evolve its business model to better seize market opportunities. In the following figure it is illustrated how service design works and how it can help companies carry out all the aforementioned actions.

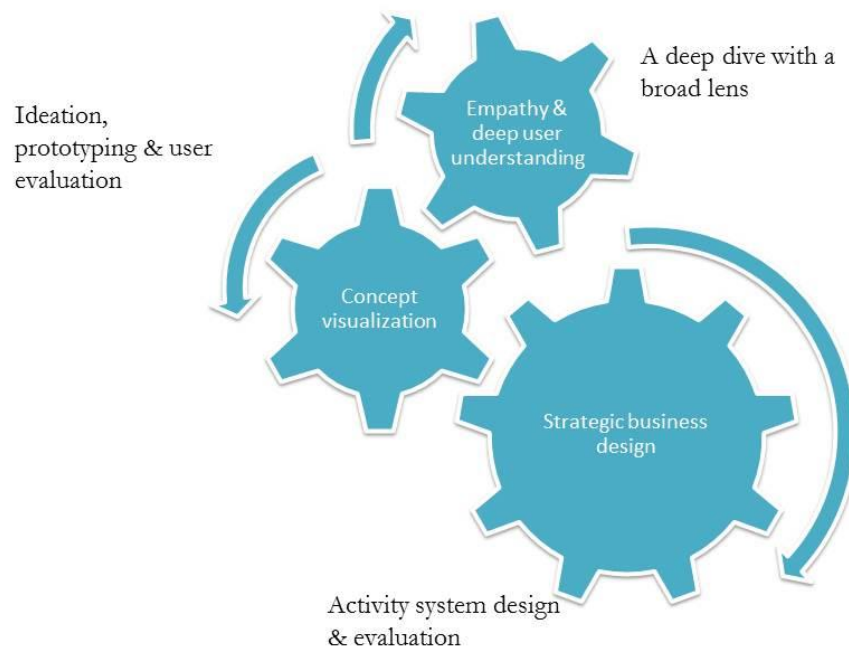


Figure 3. Three gears of business design (Fraser 2010, 36)

All the following stage explanations are drafted from Fraser's model (3 gears). Other authors' additions are separately referenced.

Gear one: Deep user understanding. In the first step companies should attempt to get a thorough understanding of their customers and other critical stakeholders. The purpose of this action is to establish a human context for innovation and value creation (Fraser 2010, 37; Angelis & Pinheiro de Lima 2011, 91; Lockwood 2010, 87.) Fraser also emphasizes seeing this with a broad lens. What this means is that companies shouldn't be narrow-minded about the phenomena and trends that happen in the background of their customers. One cannot simply solely study e.g. consumption habits and demographic data but rather take a broader look in their customers' lifestyles to gain an understanding on the behavioral and psychographic perspectives as well. Stickdorn & Schneider (2011, 36) provide a great example to this: Think of two customers, both were born in 1948, male, raised in Great Britain, married, successful and wealthy. Both have two children, like dogs and love the Alps. One of them could be Prince Charles and the other Ozzy Osbourne. Do you see the catch there?

Miettinen (2010, 32) emphasizes designer's social skills and empathy towards end users. This is crucial since designers have an essential role as coordinators in the process.

Gear two: Concept visualization. In this phase the unmet needs that were discovered in gear one are being visualized and multiple prototypes are created *with the customers* as well as various concept enrichments. At this stage design teams should have no constraints but rather have an open mind for anything and everything. Very similarly as to how brainstorming phase works in Problem-Based Learning that is also often practiced in Haaga-Helia. Other authors also emphasize and support this phase with its different focus points. For example Miettinen states that value creation and interactive processes are essential features of service design. Enjoying co-creation of the services with the users is one of the most important features of a service designer (Miettinen, 22.)

A crucial part of gear two is also iteration. Design teams should quickly assemble and create prototypes, present them to end users and constantly seek to get feedback from them to eliminate the not-so-desired options from the feasible ones. And then do it again and again (Fraser 2010, 39; Lockwood 2010, 88.) Miettinen (2010, 23) adds to that by stating that in co-operative designing the customer and the user participate in development of the service together with the design team. This way user information can quickly be utilized in service development.

Gear three: Strategic business design. This is the phase where strategy and reality come to play. At this stage the business model itself is being developed. In other words: Thinking how the big fresh idea can be made commercially viable. As in gear two, the third gear requires iteration. Different paths and solutions need to be examined to find the most viable option where all the stages of a new service model are integrated. Various indicators need to be used to gain a realistic view of the offered value and profitability (Miettinen, 33).

There are multiple models for service design process but they all follow the same pattern of user knowledge, prototyping & visualization and business design. Usually these phases are split from 3 to 6 steps.

Mager (2009) has 4 phases in service design process. The first three are similar to Fraser's model but the additional fourth phase is *implementation*. This phase requires knowledge on organizational processes, training and possibly different IT-solutions.

Stickdown & Schneider (2011, 34-45) incorporate 5 steps in their model of service design process. They are in the following order:

1. User-centered
2. Co-creative
3. Sequencing
4. Evidencing
5. Holistic

This model also has similar approach to the process but some of the phases have been split to separate entities and the authors highlight different factors in service design processing.

3rd Part “sequencing” highlights the importance of touchpoints. Service design thinking serves to deconstruct service processes into single touchpoints and interactions. These, when combined, create service moments. The sequence of service moments should be well orchestrated to achieve a pleasant rhythm, ensuring a climatic progress of the customer's mood and communicating the story inherently to the service through each touchpoint (Stickdorn & Schneider 2011, 40-41; Lockwood 2010, 92.) Sub-chapter 2.3.3 discusses touchpoints even further.

4th Part “evidencing” refers to physical association of the service. For example souvenirs or small bottles of shampoo from your hairdresser can trigger the memory of positive service moments and thus, through emotional association, continue to enhance customers' perceptions of the service they have received. This can have a prolonged positive effect on service experience.

5th Part about the “holistic” nature of service reminds the importance of physical environment even though the service itself is intangible (Stickdorn & Schneider 2011, 44; Angelis & Pinheiro de Lima 2011, 88.) Fraser (2010, 38) gives a very enlightening example of this with patient service in hospitals. Cues to reduce patients’ anxiety are rooted in many dimensions: their connection to the outside world (physical cues to nature and spirituality); the physical design of the hospital (the width of the halls, the artwork on the walls, the flicker rates of the fluorescent lighting); a sense of control or empowerment (the information they receive in communications before, during, and after their hospital visits); and the practices and manner of the people on staff.

In his highly referenced Master’s Thesis work, Moritz (2005, 158) introduces a six step model that has a very comprehensive approach to the process. A sizeable figure of this can be found at the end of this thesis as attachment 1. In the model in question Moritz gives numerous examples of different tasks that need to be performed, as well as various issues that teams need to consider at certain stages of service design process. Figure four is a simplified version of the model but it visualizes all the key elements.

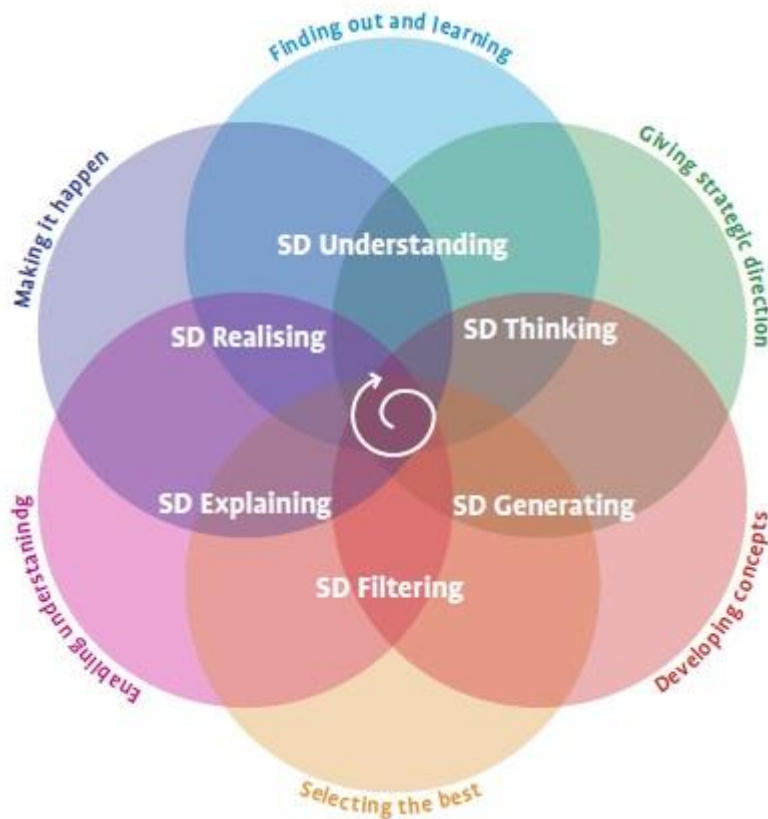


Figure 4. Service Design categories (Moritz 2005, 149)

It is unsure to me that how far has the case company gone with utilizing end-user experiences when designing and developing the digivoucher. Small trials have been done with potential customers but I have the impression that there would be a need for a comprehensive service design process to identify the key failures.

2.3.2 Touchpoints

Interaction design or touchpoint design is an integral part of services since a service is basically a journey of interactions between a customer and service system. In this chapter we study this feature, to which the case company SSP expressed special interest.

Clatworthy (2011, 80) explains that to value your customer you need to consider two things: Firstly viewing your service through the customers' eyes, and secondly designing in such a way that customers receive consistent experiences over time which they consider valuable. Lockwood (2010, 92) continues this approach by listing some factors that this viewpoint covers. They are brand identity and imagery, products, services, environments, interfaces and communications.

Basic emphasis of interaction design is on total experience that the customer perceives of the service. It often happens cumulatively.

Clatworthy (2011, 80-81) summarizes that interaction design for services relates to the design of desired employee behavior, as much as design of interactions with technology. This applies to SSP Finland's case strongly since the change to transform the compensation process onto an electric format influences the overall service to a large extent. However there is of course also human interaction involved in the new process model. Trends are still always inevitable and must be utilized as SSP aspires to do. "Digital interaction is becoming more and more central for service delivery" (Clatworthy 2011, 81.)

However let's go back to look at Lockwood's (2010, 92) list of factors that essentially influence perception. He infers that design influences perception, perception influences

purchase, and therefore design influences purchase. Lockwood continues: All touch-points influence perception, including:

Product design. Products are generally the most visible aspect of a company. They are often the reason we know the company, and they our attitudes toward it as well.

Communication design. Equally important, communication design affects all touch-points that rely on visual communications – from symbols and corporate identity to packaging, advertising, instructions, and directions.

Information design. We have all come to rely on the importance and functionality of information design, from Web interfaces to product interfaces, from signage to way-finding, from information architecture to customer invoices.

Environment design. Affecting everything from branded retail environments to showrooms, from exhibitions to our workspaces, the design of our environments can be extremely influential in our professional as well as our personal lives.

Service design. Consider that all services, from back-teller processes to restaurants, from hospitals to governments, from hotels to travel carriers, are designed. The question is whether they are well designed or simply reflection of the status quo.

(Lockwood 2010, 92)

Clatworthy (2010, 82-83) highlights the importance of usability; it includes offering only the necessary services to avoid fuzziness, and it is also referring to general quickness and easiness of how a customer can move through the service journey. This matches well with the purpose of the digivoucher as its purpose is to make the process faster, easier and lessen queuing time.

To summarize at this stage, touchpoints are basically all the interactions that customer makes with the service. As has been noticed these interactions need to be mapped and designed. There are various tools how companies can get a clear grasp of them, such as service blueprints, customer journey mapping and touchpoints matrix.

2.3.3 Measuring value

Measuring value of intangible elements is always a challenge. Companies will always want to know how much return they will get for their investment. When it comes to service design one might think that improved customer satisfaction and more positive feedback is the only metric that can be directly associated with it. However this is not

the case and in this subchapter we will look at different means how companies can measure tangible value that service design brings.

The challenge with measuring value of service comes from its complex nature. Service is generally a process of different interactions between the customer and the service provider. Companies aspire to ensure an appropriate level of perceived value of their service by matching and exceeding user expectations. As mentioned this is done by involving customers in the design phase. It is crucial that the perceived value is consistent throughout the process. This is complicated because service is “manufactured” at the point of consumption and is often created by a mix of digital information, products, and people (Lovlie, Downs & Reason 2010, 174.)

It is difficult to measure the value that design inputs bring to the service as a whole. The easiest way to do this is to measure it on a project level. The key question is how much more money does the service bring when an investment is made on design?

Let's take a few examples from professionals of this field about how to measure tangible value of service design actions. The three following examples are cited from Lovlie et al. (2010, 175-183).

Gross Value Added (GVA) is the first example given. Generally it is a tool used to estimate the value of goods and services produced in an economy. Apply this on a project level and you will have an estimate of the produced value of the service. The authors used this tool to measure how much an investment would bring return in a project where the task was to enhance support services of unemployed citizens through better design, to help them get back to work. They used a project approach to make estimations on how much uplift their service design would bring to employment. Apply this estimation to unemployment rates and estimations on how much an unemployed citizen costs to society and you get a monetary value for service design and estimates for ROI. (Lovlie et al. 2010, 175-176.) Applying this tool to the case company of this thesis will be challenging though. Possibly the only way to measure it is to make

a prototype situation of the compensation service delivery and since SSP Finland gets paid for every *used* voucher, see and estimate the change in ratio of used vouchers.

It might be challenging to achieve factual monetary digits but another way to make value estimates is the **Triple Bottom Line**. It provides the means to assess the leverage that design brings to a service on economic, environmental and social level. People, planet, profit is another common way to put it. In the second real life case given by the authors, they utilized this approach well to show their customer what return they would gain with their investment. They were hired by Northumberland County to improve public transportation services, such as taxis, ambulances, school buses etc. in rural area. Work mainly consisted of redesigning touchpoints for all involved parties to have better access to the service. In cooperation with transport experts they calculated that for every pound invested, the client would get a return of 1.65 pounds. The breakdown was following: *Financial return* 1.25£ by money saved on reduced numbers of miles driven to fulfill transport needs, as well as reduced management costs. *Environmental return* was 0.12£ by cost savings from reduced number of vehicles, congestion, and emissions. Finally, *social return* evaluation was 0.28£ and it is based on value created by providing people with the ability to travel to alternatives to day-care and other costly community services. (Lovlie et al. 2010, 178-180.)

This might be a great tool for SSP Finland to use to measure value of their proposed service alternative. I am confident that it is possible to calculate upside that switching to electronic compensation voucher would bring on all three aspects finance, environment and social, starting from higher volumes of used vouchers, less paper and trash, and perhaps more favorable customer experiences.

The third and last tool presented by Lovlie et al. (2010, 180) is the **service usability index**. It is a tool created by the authors themselves and serves to disclose defects in the service and provide information how these issues affect the service experience overall (Lovlie et al. 2010, 180). There are four parameters that are ranked between 0-10 and the grade is given on basis of in-depth interviews and shadowing customers in a natural (authentic) environment. The four parameters are:

- Proposition. Do people understand the value proposition of the service?
- Experience. Do people feel good about the service?
- Usability. Can people easily use the service?
- Accessibility. Is the service universally usable for everyone?

Based on these criteria a document is created where all issues that affect the service are listed. Alternatively one can create a shortened list with top three issues and a description on how well each service touchpoint performs. Another valuable way to present the data is top-ten lists of “what prevents you from making money?” and “quick fixes”. (Lovlie et al. 2010, 181.)

In my own opinion service usability index can be a valuable tool to assess service experience but I would recommend that it is always carried out by a third party. Neutral approach and consistency can be a problem when using this tool especially if it is carried out several times (before and after changes for example). However some of the parameters might reveal very relevant data for SSP especially usability and accessibility.

De Mozota (2010, 69) introduces Balanced Score Card (BSC) as a tool to assess impact of design. As it is widely known BSC includes four perspectives: Learning and growth, business process, customer, and financial (Balanced scorecard institute). Ask the same 4 questions that are asked in the model but with design in mind. I won't go any deeper into how BSC in itself works but let's take a look at how design can be incorporated into this model and various metrics for measuring value.

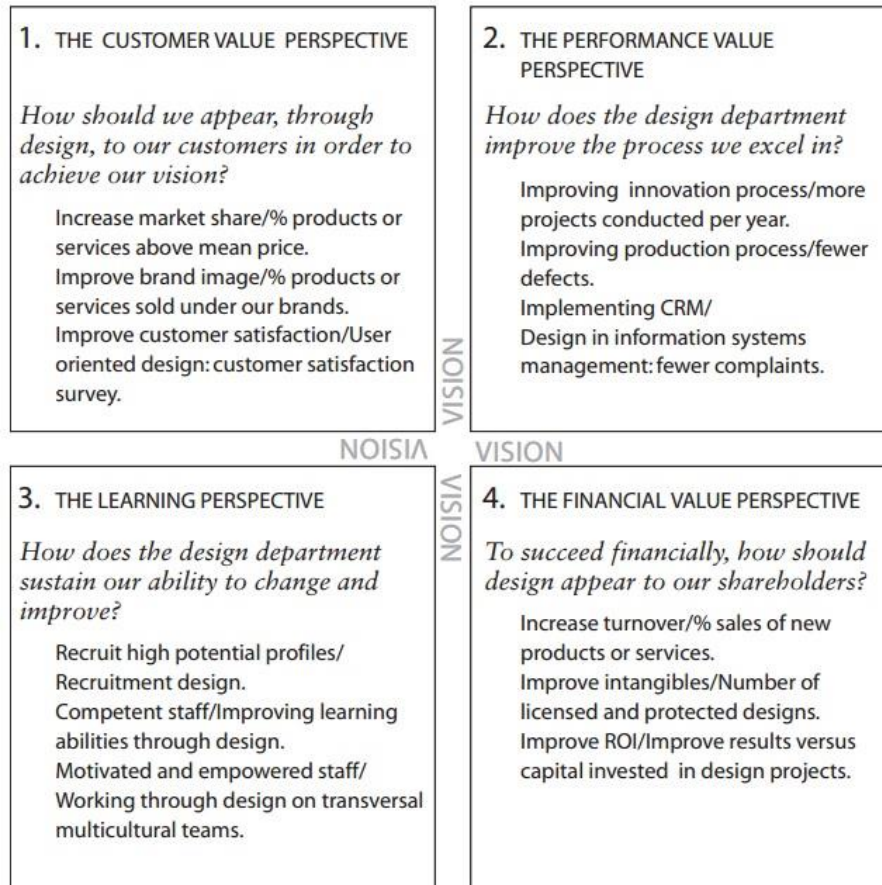


Figure 5. The balanced Score Card for design manager (De Mozota 2010, 71)

The contents in figure 5 are only examples. Companies must create their own tasks that answer the main question in each element. This model has a long-term focus and does not predict results or value but rather sets metrics and based on these metrics calculations can be made. It is also very holistic as it covers basically all the most essential subjects that businesses focus on to be successful.

In any case when there is a change made in a business process and especially when a service is re-designed companies, such as SSP Finland, should ask 1) what value does it bring for the customer, 2) what value does it bring for the service process, 3) what value does it bring for our employees, and 4) what value does it bring for our stakeholders? After that one must develop metrics and means to measuring it.

2.4 Service management

Now that we have covered service design we will take a look at service management and really drill deep into the core of running a good service business. The scope will be naturally narrowed down to branches relevant for the study because the whole topic itself is immense. Technology obviously plays an important role in this study and an extra emphasis will be put on it.

So what is service management? Generally speaking it is all the strategically planned actions that maintain the level of service and enable companies to thrive. In the widely recognized book series *For Dummies*, which is published by John Wiley & Sons, the authors define that service management is about monitoring and optimizing a service to ensure that it meets the critical outcomes the customer values and stakeholders want to provide (Hurwitz, Bloor, Kaufman & Halper, 2009). This perspective (and service management in general) includes several business functions, but we are going to focus on customer compensation.

2.4.1 Customer compensation

Fitzsimmons & Fitzsimmons (2011, 136) introduce four approaches to service recovery: *The case-by-case approach, the systematic-response approach, the early intervention approach and the substitute service recovery.*

Case by case approach denotes managing each case individually. It is an easy way of managing complaints and compensation situations, but contains a risk of substantial inequality which might lead to negative word of mouth. Also the frontline staff needs to be authorized to manage complaints under their discretion in order for them to have the tools to solve a problem.

The systematic-response approach means a standardized way of managing complaints and compensation situations. This also applies to the thesis case because the whole procedure is very standardized. However this approach is protocol-based and the process is proactively planned. The critical failure points have been identified be-

forehand and appropriate recovery criteria have been determined in advance. (Fitzsimmons & Fitzsimmons 2011, 136.)

An early intervention approach, which is often part of systematic-response approach, attempts to proactively prevent or fix service defects before customers experience them.

A substitute service recovery is a more infrequent mean of service providing. The premise is on capitalizing on competitor's service defect and winning over their customer with timely quality service. (Fitzsimmons & Fitzsimmons 2011, 137.)

Basically every measure taken to tackle a problem with unpleased customers falls under one of these approaches. As mentioned I feel like the systematic-response approach is the one applied also in SSP Finland's case. When there is a flight delay a very standardized recovery process is executed but unlike the authors of this theory claim, key failure points have not been identified within the electronic compensation process.

2.4.2 Compensation procedures

In this sub-chapter we will take a look at different models and frameworks of how a compensation situation ought to be handled and what different factors these procedures include. Every company has their own way of taking care of unsatisfied customers who want to be compensated for treatment that didn't match their expectations. Service processes and their users or customers are also very different from one another and companies have to find out which is the right way for them to go about their business and compensation procedures.

Miller, Craighead & Karwan (2000, 388) introduce a framework for service recovery (figure 6).

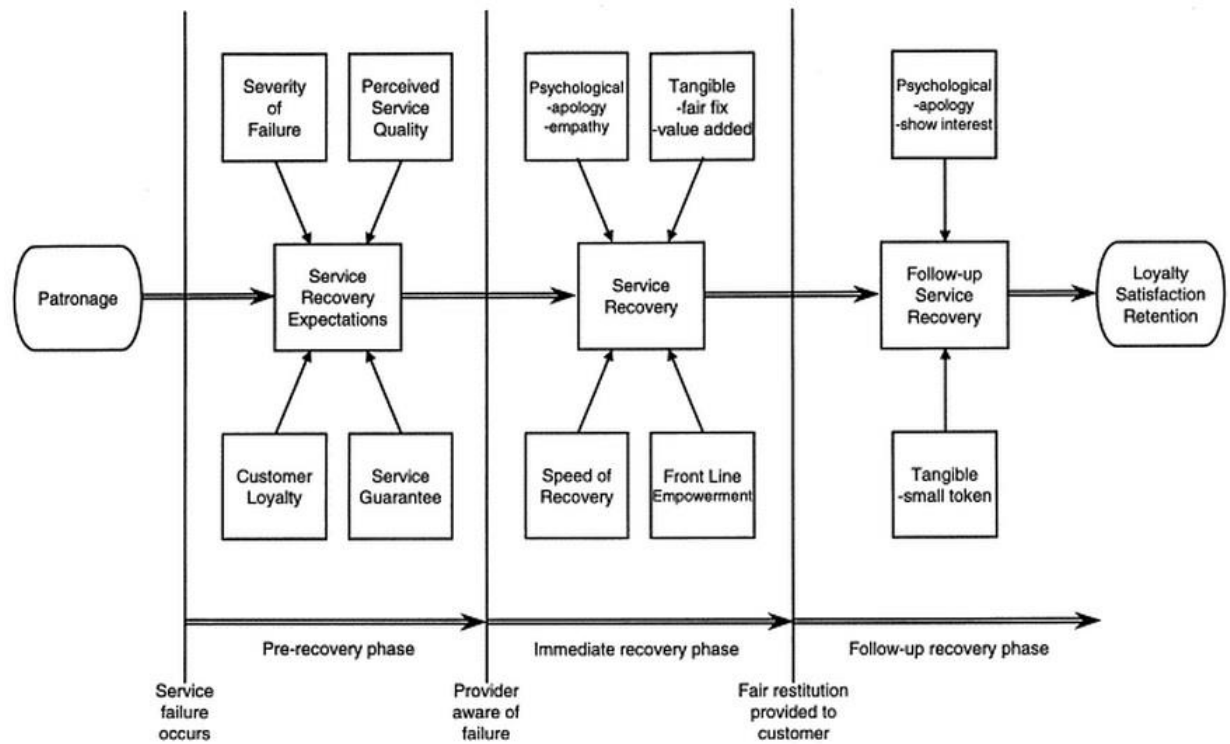


Figure 6. Service recovery framework (Miller et. al 2000, 388)

This figure consists of three phases which all include their specific factors that affect the situation.

The first phase is **pre-recovery phase**. It begins when a service failure takes place and ends when the service provider becomes aware of this. Time spans vary largely during this phase.

The second phase is **immediate recovery phase**, which begins when service provider becomes aware of a failure and ends when the customer has been compensated. The faster this phase gets concluded, the better.

The last phase, **follow-up recovery phase**, begins once the compensation has been fulfilled. This phase may, or may not be necessary depending on the fastness and success of immediate recovery as well as severity of the failure. Let's take a look at different factors that play a role in these phases.

Before the service failure takes place there are various factors that affect customers' attitude and likelihood of repeat business. ***Patronage*** depicts these antecedents on the left of the figure. They have a direct impact on ***service recovery expectations***. Knowing these antecedents may help in designing the service recovery process.

The degree of ***customer loyalty*** contributes to service recovery expectations. The higher the expectations the more difficult it may be to recover from a service failure. However, customers with little or zero expectations may just leave and probability of repeat business is low, while loyal customers may give the business an opportunity to recover.

Perceived service quality is a factor that contributes to service recovery expectation as well. It may be that customers that have gotten high service quality allow businesses more opportunity to recover.

The service ***failure severity*** may also increase recovery expectations. The severity of failure usually determines costs that incur from the recovery.

Service guarantee means that customers expect companies to live up to the promised or expressed guarantee stating the procedures which will follow in case there is a failure in service. These may be for example full money returns or other reimbursement promises or just company values/mission etcetera. These expressed guarantees may as well increase the recovery expectations.

Service recovery actions that take place during the second and third phase of the recovery process can be divided to two categories: Psychological and tangible.

Psychological recovery efforts serve to establish a frank sense of care for the customer. This should be done in the forms of empathizing and apologizing. The two can be a powerful remedy if expressed in a genuine way.

The primary intent of *tangible* recovery efforts is to provide fair restitution for the costs and inconveniences caused by the service failure. Secondary purpose may be to offer a little extra to atone for customers' bad experience.

Frontline empowerment means that service employees should be trained and equipped to compensate an unsatisfied customer on the spot, because that speeds up the whole process and makes it more likely that the customer becomes satisfied and retained.

Speed of recovery is a major factor affecting customer satisfaction. If the problem and subsequent compensation is handled fast, a successful resolution is more likely. (Miller et. al 2000, 388-390.)

All the aforementioned factors and actions should lead to higher loyalty, satisfaction and retention if executed properly. In SSP Finland's case especially the speed of recovery is a factor that should be emphasized and brought up in discussions with potential customers because it is travel agencies who take the blame from unsatisfied customers.

2.5 B2B buying behavior

The purpose of this thesis is to provide a common language between the service provider and its client. SSP Finland is eager to amend a business procedure (customer compensation) onto an electronic platform, while clients have been reluctant and things have not moved forward. In this chapter certain aspects of business to business buying behavior are studied.

According to Brennan, Canning & McDowell (2007, 24-25) business buying behavior is affected by external factors such as macro-environmental influences or other market specific influences, and also by internal factors. Consideration has to be given to how organizational characteristics as well as group and individual factors affect purchase behavior and decision making.

Vitale et al. (2011, 56) state the same by saying that organizational needs are determined by customer needs, internal goals and objectives and by external environmental factors. All of these factors tell a lot about corporate culture and knowing customers' corporate culture will indeed be very valuable when designing B2B marketing.

Thus it can be said that knowing potential customer organizations' market environment and internal corporate culture is the key to providing best possible services. With this research I have tried to learn more about potential customers' internal goals and needs and thus help SSP Finland achieve maximum understanding of their customers.

2.5.1 The technology adoption life cycle

SSP Finland's business environment is quite unique and interesting. They are basically the sole provider of restaurant and cafeteria services in Helsinki-Vantaa airport. It is not external pressure (competition) that drives changes but rather the willingness comes from the inside. However it is not the same for their business customers. Travel agencies compete against each other for flight customers and try to find ways to add value to their service in order to be the best at what they do.

After consulting SSP Finland staff I have come to an understanding that such digivoucher system is not implemented anywhere in the Finnish market at least within this industry. The technology itself is not cutting-edge and one might say it is quite surprising that companies haven't adopted it to their business processes sooner, now that we are living in the 21st century. Companies adopt new technologies with varying courage. Some are more held back until a new technology is a completely established as a standard tool within an industry, and some companies want to be the first ones implementing new systems in spite of risks and uncertainty related to it.

Vitale et al. (2011, 47) introduce the concept of technology adoption life cycle (TALC) which is a very similar to product life cycle graphs. We have seen incredibly rapid changes in technology within the past 20 years, take mobile phone market as an example. Just a few years back visual graphics array (VGA) cameras and colored screens were the big thing but now they seem like distant history. Usually companies must

adapt to environmental changes in order to thrive. Figure 7 names and depicts the phases in which companies adopt new technologies.

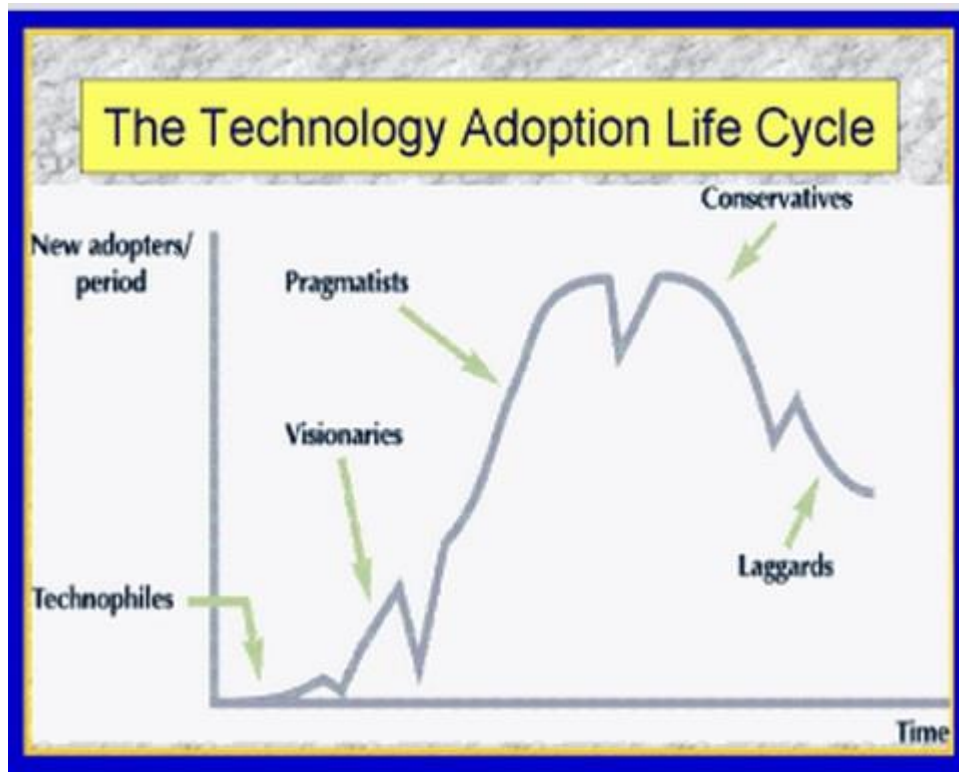


Figure 7. The technology adoption life cycle (Vitale et al. 2011, 48)

There are 5 different adopters: *Technophiles*, *visionaries*, *pragmatists*, *conservatives* and *laggards*. It can be argued where we would locate on this life cycle graph, most likely somewhere between visionaries and pragmatists. There is a chasm or market development gap as Vitale et al. (2011, 48) like to call it. It marks distrust that pragmatists have on visionaries. According to the authors visionaries often adopt technologies that aren't fully prepared and market-ready and more cautious adopters (pragmatists) set back until other cautious adopters begin to trust the technology.

While surpassing this chasm the effect is that externally the customer segment changes from visionaries to pragmatists and accordingly the main benefits sought by customers will change and the marketer's offering will have to change to meet this need. (Vitale et al. 2011, 48.) This is exactly the case in this research. The technology is relatively new and companies are observing and experimenting with it, but we are at the brink where digivoucher might become a standard mainstream tool within this industry. I am study-

ing the main benefits customers are seeking and it is up for SSP Finland to change their offering accordingly.

I won't include a separate chapter about target customers in this report because it goes without saying that SSP Finland should target this product to companies who are innovative and willing to adopt new technologies, instead of companies who are *conservatives* or *laggards*.

2.5.2 Role of relationships

Let's imagine that SSP Finland has no financial or other evident benefits to promise to their customers for changing the compensation process platform. Let's say they want to make the change solely based on internal benefits or just for the sake of change and modernization. How can they make this happen?

Role of relationships and a sense of cohesion can play a big part in selling the new digivoucher system. Airport is a very isolated business environment because only certain types of businesses operate there, and the fact that SSP Finland runs the café and restaurant business basically on their own there, it is likely that each of the companies have some sort of dependence or a sense of partnership with SSP Finland, customers or not. Thus it might be advisable that SSP Finland would try to take advantage of the situation.

Many of the customers and non-customer operators are obviously satisfied with their current compensation procedure because digivoucher is not in wide use yet. Convincing them to engage to a process change has been difficult. One way to overcome this is to use strong relationships. The degree to which the marketer or customer is prepared to engage in any adaptive behavior with respect to the offering will be a function of how they feel about the relationship with the counterpart (Brennan et al. 2007, 266).

3 Methodological choices

As it has been mentioned in this paper this is a qualitative research for a real life problem faced by the case company. In this chapter I will once more specifically explain what is studied in this research and will also showcase the methods for acquiring the data that I believe solves the business problem most effectively. Also reasoning why I feel that the chosen method was the most suitable one for this case will be given.

3.1 Research type and sampling

This is a practice-oriented case study research. Case study research mainly answers questions “how?” and “why?” (Yin 2003, 7). This matches best the type of research and interviews I have designed in order to answer the research problem. There are also other criteria that support the selection of case study as the research method but they are not that relevant in this thesis.

The purpose is to find out *why* potential customers have not yet agreed to acquire the digivoucher system despite prior contacts and propositions made. The second point is *how* the system needs to be changed in order for it to offer such value that non-customers are willing to make an investment for it.

In general it can be said that qualitative research means in-depth interpersonal investigation. This is a very vague statement and in reality qualitative research asks much more than “how” and “why”. In my case the primary and only source of data is interpersonal communication and thus a more specific methodology is necessary. Case study is the method that is closest to my approach of executing the empirical actions. As Yin (2003, 1) puts it: Case studies are the preferred strategy when “how” or “why” questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context.

Interviewees were selected based on their position and involvement with digivoucher and SSP Finland. There were overall 4 interviews done; 1 with the case company sales & operations manager, 1 with a customer representative (marketing manager of com-

pany X) already using digivoucher, and 2 with separate potential customer representatives (other one is head of meetings and events of company W and the other one is sales manager of company Z) who had been introduced to the technology. I interviewed SSP Finland sales manager just to gain insight to myself that how and why does SSP Finland want to utilize the electronic voucher. One customer company (only customer thus far) representative was interviewed to gain insight how the system has worked for them and how it can be developed and better utilized. The two remaining non-customer companies were interviewed to attain an understanding how customers who are somewhat familiar with the system see it, as it is currently marketed to them and also to hear their thoughts of the potential of digivoucher and how it could be implemented in their business processes.

These people were chosen, and what they all have in common is that they represent the front line people when it comes to contacting their respective companies with a proposition in question (selling digivoucher). All of the customer representatives have been highly involved with the process of working out a deal and getting to know the system. All of the interviewees have high impact on decision making when it comes to acquiring such systems. There is variation among the sample companies, some of them are B2C and some are B2B.

I limited out potential customers who have not been in any contact with SSP Finland about digivoucher. I believe it would not have added any value to this research to interview company representatives who do not know what the system is and how it works and thus presumably would not have been able to provide insight for the enhancement of the e-voucher.

3.2 Data collection

All the data collected and used in the analysis of the research problem were gathered through primary research in form of qualitative thematic interviews. There were four 30-minute-long interviews conducted. My chosen method is semi-structured and as the name indicates the discussion roams free within certain chosen themes. The themes in the conducted interviews come from the investigative questions. The purpose was to

make the interviewees talk and let them speak with their own words. Thematic interview starts with the assumption that all of the interviewee's experiences, thoughts, beliefs and feelings can be investigated with this method (Hirsjärvi & Hurme 2009, 48). This was exactly what I was after, only controlling that the discussion remained within intended themes. Out of all the qualitative research and interviewing methods I thought that this one serves my purpose best. The interviews were conducted in Finnish.

The interview frame or set of questions varied depending on the person interviewed. There were 3 different interviews:

- Case company interview
- Customer interview
- Non-customer interview (2x)

I had different goals for each of these interviews as mentioned in the previous subchapter. The formulation of questions varied among these interviews to a certain extent within context. The number of questions was really low for these interviews (3-4). As it was previously said the themes in these interviews fit within a small number of question, as I have three IQs in this research. The open-ended questions took the following format:

- Case company interview (how? what?)
- Customer interview (how? what?)
- Non-customer interview (how?)

By asking question such as “how do you feel about” and “what do you think of/what is your opinion” I aimed at eliciting respondents' feelings, thoughts and experiences. This type of open-ended questions permit those being interviewed to take whatever direction and use whatever words they want, to express what they have to say (Patton 2002, 354). With these questions I enabled the conversation to take off and get some in-depth data for my research.

3.3 Analysis method

The four conducted interviews were recorded but I chose not to transcribe them. Thus the analysis of the data was done by listening to the recorded material and picking the information using audio tools. There were only few interviews conducted and thus it made sense not to put them on paper. Also the interviews were relatively short which also supports my decision (Hirsjärvi & Hurme 2009, 138.)

This decision however lead to dozens of replays and eventually took quite some time. I still think it was the best way to go about analyzing the data because it is easier to hear and detect things from between the lines based on the tone of voice, pacing and the way interviewee's accentuated certain parts. I believe this was quite valuable to the analysis in the end.

The content of the interviews was analyzed based on the investigative questions. I tried to reflect everything to the IQs and find meaning in what was said; not just solely list what was said like it is done in transcribing.

4 Results

The purpose of this chapter is to objectively present the outcome of the interviews. No interpretation or any sort of input from author's behalf will be found in this chapter; just the raw data. The logic behind the order of listing the results, and the grouping that I have used, starts with the case company interview for the sake of deeper understanding also for the readers of this thesis that where does it all start. We will then continue with the interview of the already-customer company, followed by two non-customer company interviews. Comparisons and analysis of the data will be done in the next chapter. The data found in this chapter are condensed key contents of the conducted interviews.

I have chosen not to use names of the company representatives. I will refer to the representatives by a letter. This is done because of a wish by one of the interviewees. This applies naturally to the represented companies as well; no names used.

4.1 SSP Finland representative interview

I interviewed the manager of sales and operations of case company SSP Finland on April 23rd about the motivators that drive them to sell and further utilize the digivoucher and also what is the goal of digivoucher.

The reason why I include this interview to the report is to enlighten readers about why SSP Finland wants to transform the compensation process onto an electronic platform and thus comparisons to customers' responses can be made in order to justify conclusion at the of the report.

4.1.1 Utilizing digivoucher

The digivoucher system has been in use for about two years now but mainly in various trial cases. Initially it has been intended and marketed to larger companies such as travel agencies and airlines but nowadays also to smaller user groups such as meeting and

convention customers, common passengers etc. Efforts have been made to map various potential customer groups.

The main intention and target of use of digivoucher is compensation situations. There are various benefits and reasons to this for example in financial department it would largely help accounting procedures. Also they are easy and fast at the cash desk in practice. There is plenty of traffic when a delay situation has taken place and it is important to be able to manage these situations. Also it has many other practical benefits for example reliability. The technology enables a fast transaction and it is more correct and righteous compared to manually handled transaction procedures. It makes the process easier and decreases error margin. This was one of the initial reasons why SSP Finland engaged in utilizing the digivoucher tool. The technology enables a more fluent and reliable transaction procedure at the cash desks, it is faster than the traditional manual process and there is no human error involved such as erroneous charging/billing.

The main reason why SSP Finland wants to further utilize digivoucher in their procedures is the fastness that it provides. Also it allows the luxury of getting rid of all the paper pieces and enables faster queue management and allows employees to have more free hands basically.

4.1.2 Potential of digivoucher

The interviewee sees several different commercial aspects that could be developed in the system and thus optimize the usefulness. At the moment SSP Finland procures sizable amounts of vouchers (from Steam the supplier of the technology) in bundle. We are talking about a hundred coupons and more at a time which then need to be sold as such. SSP Finland could make easier sales to their customers if they could sell the voucher to smaller amounts of people so that the expenses for the customer are more reasonable. Each and every coupon costs money.

Also a value coupon could be a smart alternative for the current standardized system. So that when for example an insurance company calls SSP Finland informing that they have a group of 50 people leaving for a business trip and they want to offer them a

little freebie before departure, they would have the option to purchase a 10€ coupon for each of the members and they could use that according to their own taste in various SSP Finland cafés and restaurants. The current system is that there is a standard product in the coupon (the product changes occasionally) and one has no option change it to anything else. At the moment the freebies are for example entrance to a SSP Finland lounge, a coffee and a croissant, juice etc product linked.

The interviewee regards value coupon model a better alternative for the current model because it is more customer friendly. As a consumer you may not like or feel like drinking coffee or eat a greasy croissant so you would have the option to go and buy e.g. a fruit salad. Business customers could decide the provided value themselves for each of the coupons. This model might lead to increased sales too, if a customer wants something that goes above the value of the voucher they might finance it themselves e.g. a customer wants also a chocolate bar besides other stuff that he/she is buying but if the price goes one euro above the value of the voucher, he/she might pay that one euro him/herself (extra sales).

4.1.3 Goal of the digivoucher and marketing issues

The goal of the digivoucher is that all compensation processes are handled using the system along with other processes where coupons are in use.

The interviewee has mainly marketed the voucher system to their cooperation partners by sending them sample vouchers. It is the best way because to truly understand how it works and how practical it is you have to try it yourself. Thus SSP Finland has invited partners to their premises to try it out themselves.

Practical issues related to the voucher are for example if SSP Finland makes a proposition to a company about the digivoucher it might be unsuccessful merely because the customer company does not have their employees' or customers' phone numbers.

Another issue is that there should be verification and insurance that the sent voucher gets used. For example if there is a long validity time customers might just forget to

use it or if companies decide to offer a freebie as a summer holiday gift there is no guarantee how many people will actually fly abroad or visit the airport in general.

Everyone that have received a voucher have been very pleased with how it works. However when the process of digivoucher is explained that how it works in practice and what is customer's implication in it, SSP Finland has to explain everything about the different costs that occur from sending the vouchers to the provided product itself. People have found it hazy and confusing, and convincing customers that it is a good system has been challenging. Also rarely do companies have a comprehensive list of targeted customers with phone numbers so that multiple vouchers could be sent with one click of a button. There is a need for smaller quantities. This is one of the reasons why SSP Finland wants to invest for the delay compensation coupons because the passengers are at the site for sure.

However there is a need for more flexible and smaller quantity options for the voucher.

4.2 Company X representative interview

I interviewed Company X representative on April 12th in Helsinki. Company X is a large, mainly B2C, travel agency. The representative is a marketing manager in company X. They are SSP Finland's only customer in regards of regular use of digivoucher. That is the reason why I thought it is important to interview them of their experiences in order to turn that information for the enhancement of digivoucher.

4.2.1 Use of digivoucher

Company X currently uses digivoucher for emergency communication and with SSP Finland to customer rewarding in form of lounge access and champagne coupons. Frequent customers get these rewarding bonuses but also there has been consideration to use it as a campaign product e.g. if a customer books flights within a certain weekend etc.

Currently the timing, when they send the rewarding bonus coupons, is a week before departure. It makes no sense to send it earlier because people will lose or forget them. The system works manually, meaning the system does not have any automation, but rather the coupons need to be sent by the staff.

Company representative finds the digivoucher extremely fast tool to communicate to a large number of customers. This is the main reason why they engaged to using digivoucher. Mobile phone is a very personal object to people and it is a great way to reach people.

4.2.2 Challenges

The interviewee stated that one of the main problems that they have with the system is that everything is done very manually related to preparing to send the coupons and information. From their customer database a customer list needs to be fetched and through Microsoft Excel the list is taken to Steam (the main module) and each of the phone numbers need to be separated with a comma and hence there is a lot of nitty-gritty trimming before everything is ready for sending. Then when the numbers are prepared it is easy and fast (click of a button) but the picking of the numbers into the system is a bit slow and challenging.

Another practical challenge that is faced by the receiving members of the coupon is that at the moment company X's customers get one or two vouchers depending on the mobile phone model (older ones have received two messages). There is a link that needs to be pressed and some customers do not realize this but just wait for the second message. On newer phones you have to press the image for a few seconds and save it on phone memory. These kinds of things get people confused. According to the interviewee there are many things that can be developed throughout the process. Especially the message itself should come in one phase not in two and it should contain all the necessary information and the code that includes the product.

My interviewee also noted that basic actions at SSP Finland cash desks have not been appropriate in some cases when they have tested the service. Counter employees have

not really been sure that how the code itself works which is one of the reasons why company X has not been willing to send that many of the vouchers. One of the interviewees experience was that after scanning the codes and everything the counter employee announced the price “4.5€” which caused confusion and astonishment and took quite a bit time (25 minutes). This all lead to that the interviewee had to hurry to the gates so that she wouldn’t miss her flight. Putting a real customer to that position sounds like a customer service nightmare. Not only would it waste time which is the opposite of what digivoucher is for but it also creates queues and sets the customer to an awkward situation. If the digivoucher does not work or if there are complications using it, the negative feedback turns to company X and harms their brand. However things have developed from the times the aforementioned situation happened.

4.2.3 Delay compensation

Company X’s current system is the manual system that has been introduced earlier in this report. They write a piece of paper for each of the flight customers which contains information what customers get with the coupon.

Before company X considers engaging in use of digivoucher in delay compensation situation they need a guarantee that the system works. A delay situation is always unfortunate and displeasing for each facet and if the customers would have to fight at SSP Finland counters for their supposed-to-be free products it would be a disaster.

However the manual process is very slow and my interviewee saw that there is huge potential in digivoucher regarding also compensation situations.

In B2C business, travel agencies have somewhat strict regulations by law regarding compensations in case of flight delays or cancellations. It is regulated in Finnish law that according to delayed hours there is a specific sum that needs to be compensated according to a standard grid. In minor cases it may be a coffee or a soft drink.

Travel agencies then charge airlines unless if a delay is caused by travel agencies themselves.

4.2.4 Potential and optimization

Company X representative sees a huge potential with digivoucher. She started by listing several different uses where it could be applied to in the future but they did not really concern SSP Finland. However she pondered that probably in the future there will be no text messages sent but everything works through a mobile application. According to her the only thing it takes is that some bigger companies get involved with digivouchers which would initiate the process of this system becoming a mainstream tool.

When asked about what needs to change before SSP Finland can transform all compensation related processes onto an electronic platform company X representative said that their internal processes need to be in order before progress can happen. Their digital voucher processes need to function all the way down to the counter level (Company X representative, 12 Apr 2013.) She continues that they as SSP Finland's customers would like to use and open up vouchers but they need flexibility and control over the process, such as determining the value of the reward themselves. For the end customer the use needs to be easy and flexible. The product itself needs to be developed also and the software that it requires. Company X representative had a big problem with the fact that there has been cases where two text messages have been sent in order to finally reach the reward/compensating product. She also pondered the effect of increasing smart phone penetration in Finland. Clearer instructions would also be a nice addition to text messages to minimize confusion.

4.3 Company W representative interview

We now take the last two company interviews to be processes. The last two interviews are of non-customer companies. Both of these companies had had digivoucher tool in trial use for one week just prior to the interviews.

Company W is one of the largest travel agencies in Finland. They provide mainly B2B services; their web store is the only exception where consumers can book travels. My interviewee, who I interviewed on April 29th, is the head of events and meetings in

company W and even though her title may not suggest that she would have anything to do with procurement of electronic systems, she had been in charge of testing the digivoucher with SSP Finland. The reason for this is that she has experience in mobile communications technology and has been tightly involved with mobile solution and product development within this industry.

Company W sees themselves as strong innovators and fast adapters when it comes to new technologies. Their development manager is a very innovative individual according to the company W representative. They are involved in many mobile solutions and see themselves as pioneers in this sense. They have made investments to mobile solutions and developed their own applications too.

4.3.1 Thoughts and first experience of digivoucher

Their events department had tested the digivoucher themselves when they had visited SSP Finland premises at the airport. The majority of them have old phones (not smartphones) because of relatively high age average according to my interviewee. Apart from my interviewee, no one in the test group had been briefed or informed about receiving a digivoucher coupon. They had not had problems with receiving or opening the text messages but everything had gone fast and fluently. According to her the terms of use were clear to read and overall the voucher was easy to use. The trial period had gotten them to think that they could utilize this tool in company W.

Because of old mobile phone base within the test group my interviewee said that the voucher didn't look that attractive. Also some people had raised a question if SSP Finland needs permission for sending vouchers to customers' mobile phones. Also some of the customers had initially considered it as a marketing message but eventually everyone found it as a positive surprise.

Currently company W have a resembling system called "E-klubi" which is a mobile based card that has basically same benefits but with different valid times and different terms where it can be used. One example benefit is when you book a flight through

company W and you are a member of “Travel Club”, by showing your “E-klubi” card at Finnair Shop you get a 10€ discount.

4.3.2 Thoughts on applying to compensation situations

In B2B travel business the legislation is very different than in B2C. B2B travel agencies are not that strictly obliged to compensate their customers by law in case of delays or such events. B2C travel agencies have more legal obligations because of consumer protection laws, but in B2B business travel agencies are not obliged to compensate their customers because they are not considered consumers. The only exception with company W is Olympic team travels. Finnish Olympic team has booked their travels from company W for many years already and to their case B2C type of legislation applies, last time in London Olympics in 2012.

4.3.3 Potential

They have a separate compensation channel strategy and she does not see digivoucher as a part of it yet. However they put big efforts to events and groups and for a separate customer group it could be a natural addition to the service portfolio. They also have mobile phone customer communication strategy, in form of emergency messages currently, but they could apply digivoucher to separate groups also if they observe that a group’s flight will be delayed. Yet she does not see it becoming a part of everyday business or a standard tool applied to all events. If more variability to digivoucher contents and its use targets was to come, company W might be interested.

My interviewee also highlighted that it is important for company W to respect their customers’ wish to securely handle mobile phone numbers. They have several events where mobile phone numbers are collected and right in the beginning it is communicated that where does company W need the numbers. They are usually collected for event specific marketing, and customers’ numbers are not collected in a database. However it was later brought up that they have a collective database of their customers’ numbers so all customers could be reached with one mouse click if needed.

Company W representative also raised a question whether or not it is possible to answer to the digivoucher text message. For them it is important in certain cases that they get a verification that the customer has received the message for example in situations where the customer has had to pay for something, or if somebody who hasn't used their voucher but tells that he/she hasn't received one so company W would like to have a guarantee method to verify that the sent message was received.

4.4 Company Z representative interview

The last interviewed company is a medium-sized B2B travel agency and solely B2B company. I interviewed their sales manager who had also been involved in a one-week trial period with the digivoucher. The interview took place in Tampere on April 25th.

She mentioned right in the beginning that company Z aspires to be a technology trendy company. They have various digital solutions and cooperation to support digitalization. One example is a security solution; all the reservations go through the system and in case of strikes or whichever delays the system communicates information to the customers. Interviewee also mentioned that they have mobile solutions for all mobile platforms android, ios, Nokia etc.

4.4.1 Experiences and opinions about digivoucher

They had had a one-week trial period just prior to the interview and the interviewee highlighted that they are digital solution pioneers and thus want to be involved with everything new. Naturally they haven't had any customer trials yet but they have received a proposition from SSP Finland and are considering different factors related to it. Previously they have used SSP Finland's lounge vouchers as a part of a campaign, as a paper version though.

The interviewee thought that the whole idea of customer compensating/rewarding supports and is consistent with company Z's vision. She once more highlighted that they want to be pioneers in mobile solutions.

However her personal experience with digivoucher was negative. She highlighted the fact that it was only a step-by-step trial but had she been a regular flight customer the overall impression was negative. She had had problems with getting the compensating product and the counter staff had been clueless of what the whole thing is. Company Z interviewee also said that the process needs to be developed before the product is ready to be used in mass markets. She had gotten the text message and there were no technical issues but once she went to the counter they did not know what the compensating product is.

4.4.2 Suitability to compensation situations

They have not had any compensation processes or customer rewarding policies. The interviewee mentions that such actions are campaign specific and irregular. Company Z has not budgeted rewarding at least now in 2013 when the whole air travel industry is still trying to get back on their feet and company Z operates with quite thin margins.

4.4.3 Business prospects

Company Z is interested in the digivoucher tool and sees potential in it. My interviewee believes that this is a future thing and companies should have some little bonuses for customers to offer. She did state that it is all up to airlines to compensate for delays or cancellations in B2B flight business but as service value adding feature digivoucher is an applicable tool.

In company Z they do have a profile of each of the flight customers and reaching every flight customer is easy through mobile and thus there is a lot of potential with digivoucher.

In company Z's case the applicability and potential lies within services that match their mission and vision and there needs to be synergy between provided services and customer bonuses and preferably in digital form because that supports their ideology.

5 Discussion and conclusions

In this chapter I will interpret the data the way I see it. Everything will be reflected upon the three investigative questions which served as the themes in the entire empirical research:

1. Travel agencies wants, needs, thoughts for different use purposes of the electronic voucher
2. Business prospects of the electronic voucher/potential
3. Optimizing usefulness

The third investigative question in a way serves as the final outcome of the entire study and it wraps everything up. The main emphasis throughout the report has been what all the gathered data means to SSP Finland's plans to further utilize digivoucher especially in *compensation* situations.

The analysis method that I use in this chapter is content analysis (Patton 2002, 452-453).

I made a conscious choice to compare empirical data to theory mainly in the last subchapter to avoid extensive repetition.

5.1 Customers' thoughts on electronic voucher's use purposes

I started out the theoretical part of this report with service design. In service design the purpose is to develop and enhance the service concept interactively with the customers. I have interviewed customer company representatives who all have a little experience on how digivoucher works and how their represented companies would most likely utilize digivoucher.

Probably the most obvious pattern and commonality between all the interviewed companies was that they mainly use mobile phone tools to give information to their customers. All of the respondents mentioned that they use mobile communication in emergency situations. They also mentioned that it is an extra feature to their service

just to add value. As it stands at the moment no cash flow will find its way to SSP Finland as a consequence of emergency communication, however I believe this is still good news for SSP Finland. What it means is that the use of mobile communication from businesses to customers is becoming a standard within this industry. Once a business function becomes a standard in an industry pioneers have already started looking for ways to be one step ahead. SSP Finland needs to be alert in this situation and remind customers that there are also other value-adding features available. Especially because many of the interviewed companies stated that they are industry pioneers when it comes to digitalization and mobile utilization.

At the moment the communication is one-sided, and two of the respondents suggested that the system should include interactivity. Meanwhile some test group members have experienced difficulties and confusion with opening and using the voucher. Thus it can be concluded that there is a contradiction between the intended purpose “easy and fast” and reality. SSP Finland and its customer companies want to ensure that each and every voucher is opened and used but there is still a gap between intention and reality. However, some test groups had not had problems opening and using digivoucher. Hence we will leave a question mark on quality consistency.

Another obvious observation is that there is a gap between what customers **and** the supplier would like the digivoucher to include and what it does include at the moment. It was brought up on several occasions that the most optimal way to use digivoucher is to load value on it worth of x€ as the customer pleases. The whole idea of digivoucher and customer rewarding is seen as a positive thing and good business but it is not done in an optimal way at the moment. I believe it can be concluded that the concept of offering seasonal predefined products through the voucher is already out of date and product offering policy needs to be revised.

There was a pattern that customers like to use e-voucher along with campaigns. SSP Finland has no strategy how to cope with and market the product for irregular customers (occasional use). SSP Finland representative did mention that the product is marketed more and more to smaller groups which to me tell that SSP Finland is moving to

right direction but it simultaneously sets up a dilemma. SSP Finland's main goal is to handle all the compensation situations using digivoucher but at the same time they are shifting their targeting towards smaller, irregular customers. Based on the interviews I have conducted, I believe the target customers suitable for delay compensation are big B2C travel agencies. The most positive response regarding use of digivoucher in a delay compensation situation came from the big B2C travel agency, while B2B companies were more held back. It is a fact that SSP Finland is still very much discovering what to do with digivoucher and clear strategies are still missing.

On two occasions a question was raised concerning privacy. The technology is still quite new to Finnish consumers and both the author and two of the interviewees agreed that mobile phones are very personal objects not to mention phone numbers. What I think that this means to SSP Finland is that business customers are very cautious about privacy issues because they want to protect their brand image. Concerning that privacy issues have been topical very recently because of Facebook etc. companies are wary when it comes to dealing with personal data.

Also twice variability was brought up as an issue. Companies have an interest towards digivoucher but there is no proper need for it yet, especially because the processes that are run with digivoucher can, and partially are being handled manually. Also travel agencies themselves have similar digital systems such as "Travel Club" by company W. My conclusion of this is that variability and differentiation is one central theme in selling digivoucher. The response from customers has been largely very positive towards digivoucher but in order for wider usage of digivoucher to take place it needs a trigger; something that would clearly lift it above other systems.

5.2 Potential and business prospects of digivoucher

While investigating *how* to optimize SSP Finland's service concept using an electronic voucher it needs to be highlighted once more that this system is still in development phase. For this very reason it is important to look a bit further and envision what SSP Finland could really do with digivoucher.

First of all as it has been brought up several times during this research, all of the interviewed companies saw big potential in use of digivoucher. There was variation as to where and how to use it but whatsoever everyone saw it as potentially important tool in the future.

One thing that SSP Finland needs to consider is distinction between B2B and B2C customers. I learned during the research that a completely different legislation obligates these two especially when it comes to compensation. The business prospects are very different in these two sectors and that needs to be reflected upon in every decision made regarding digivoucher.

On two occasions (interviews with company X and company W) I sensed that business customers might prefer an application instead of a text message. This would dramatically change the process. Smart phone penetration will definitely grow year by year but we are living the year 2013 and reality is that massive practical problems would arise from changing the mobile communication from message-based to application-based. These problems are for example reachability, billing etc. However SSP Finland should keep an eye on technological advancements so that one day they don't find their system out-dated.

5.3 Optimization

This is the last sub-chapter and serves as a summary and as a recommendations part. Optimizing SSP Finland's service concept using an electronic voucher especially in compensation situations means that I will take the studied theory, compare it to my empirical research and turn the data into valuable information which the case company can then utilize and hopefully optimize processes according to my recommendations.

My conclusion is that there are three main themes that the studied phenomenon is dependent on:

- Technology
- Targeting
- Differentiation

5.3.1 Technology

I cannot stress enough the significance of well-functioning technology. Throughout the process chain, starting from external; Steam Communications (software) ending to internal; accounting department where final billing is made of used vouchers, the performance of technology needs to be consistent, reliable and functioning. The software still needs development tailored to SSP Finland's needs. Fixing the software alone is not enough, but SSP Finland needs to make sure with its key supplier (Steam Communications) that the equipment is appropriate especially at the counter to enable smooth transaction procedures. Related to this there needs to be training for front line staff using this equipment. It became evident in the interviews that the service quality is not consistent and before SSP Finland can utilize the voucher system in mass markets and everyday work the technology must be developed so that it *functions* and is *user-friendly*. A proper service blueprint in form of service design processing and iteration could be a tool to further identify the true failure points.

5.3.2 Targeting

SSP Finland is still sort of trying to find its way with digivoucher. I have sensed uncertainty inside the company when it comes to matters revolving around selling and utilizing digivoucher. I have gotten very reasonable explanations as to why delay compensations are number one priority etc. but I think at this stage it is already time to make strategic decisions regarding targeting the product/process.

There are two distinct customers groups:

- Large B2C travel agencies
- Small to medium sized B2B travel agencies

When approaching potential customers this little categorization would already help a lot in regards of: With what point do we sell the system (rewarding/compensating)? What benefits the customer the most?

I believe SSP Finland needs integrity that who is in charge of focusing to which target group? It revealed to me during the interviews that there is especially high need for smaller bundles of vouchers because of cost management from each facet but larger B2C corporations are the most potential customers regarding transforming delay compensation from paper to electronic platform. They have the traffic and the volumes to enable a viable investment. This leads us to the next point – proof.

I have been left with an image that SSP Finland does not provide potential customers with sufficient cost estimates. Part of targeting and marketing management, as much for both groups, is the importance of financial return. During my communication with SSP Finland people and in one of the customer interviews, it was and is unclear what kind of financial effect does the digivoucher bring. If we go back and take a look at chapter 2.3.4 (page 18) measuring value is crucial when trying to make sales. The problem for SSP Finland is: How to prove the value of an intangible service element? Of course offering a free product or service is a value-adding element, that everyone knows, but if SSP Finland was able to demonstrate concrete value to their customer, especially in relation to the old hand-written system, we would be on a totally different level of sales-making.

Also something to keep in mind when targeting and grouping – companies have different ambition when it comes to adopting technology. All the interviewed companies highlighted many times that they think of themselves as digital and mobile pioneers in their industry. It can be concluded that companies aspire to be venturous and ahead of their time when it comes to adopting new technologies. Comparing to technology adoption life cycle (TALC) (see page 27) I would say that SSP Finland is at the brink in the chasm; few days or maybe few years away from convincing “conservatives” and breaking through with digivoucher. This is something that should definitely be noted when planning marketing strategies for target groups.

SSP Finland has already invited company representatives to come over and test the digivoucher. However I am not convinced that they have milked as much information out of the customers as possible. Perhaps in the future they could use Fraser’s 3 gear

model (2010, 36) (see page 10) and go step by step through service design. After all it starts with a better understanding of customers, continues with tracking customer needs, and ends up with creating the most suitable solution. This would definitely give the customers a sense of professionalism.

5.3.3 Differentiation

My third key theme is differentiation. As mentioned before I believe that SSP Finland is just that one last push away from really breaking through with digivoucher. As Vitale et al. state (2011, 56) corporate buying behavior depends on external factors and internal factors. We have previously reflected on the fact that there is high interest to utilize mobile tools. Also all of the customer companies praised their innovativeness and willingness to adopt new technologies (internal corporate culture). Thus the purpose of this sub-chapter is to point-out that *now* is the time to make the corrective changes to optimize the service offering. I have earlier conversed on the fact that there is a mismatch in what content is supplied and what content is demanded. Referring to the earlier quote from Vitale et al. and combining that with the theory of innovators and conservatives in TALC by the same authors, we are that one step away, when some key player decides to let go of the old out-dated systems of manually written papers and adopts new digivoucher system, that in turn creates external pressure to the industry *and* conservatives in TALC model overcome the chasm of distrust to innovators due to a key player showing trust in this new business process. I believe that's when this business really takes off and I believe it's just around the corner.

If SSP Finland wants to initiate this move I believe the recommendations that I have listed here will certainly help. The technology needs to be proper, the customers need to be targeted properly and here we are now in the last part, the offering needs to be right for the market.

In my research I discovered that customers want more variability, flexibility and basically more offering. Standardized, predetermined season offerings are hindering progress at the moment. Law of demand and supply is basic economics but I believe SSP Finland does not respect that law at the moment. By taking advantage of this and dif-

ferentiating from other similar systems that are out there in the market such as company W's "Travel Club" it is possible to gain popularity among normal flight customers which will lead to better B2B opportunities too.

These were my recommendations on how to optimize SSP Finland's service concept with the help of an electronic tool especially in compensation situations.

5.4 Reliability and validity

A critical look at the research needs to be taken. First and foremost I personally believe I could have done a better job acquiring interviewees or rather checking their background better first and what kind of companies they represent. If I had to choose what I would do differently, I would probably include more B2C travel agencies to my sample. Also I would interview more than one person within a company to gain different perspectives. Eventually I ran really low on time so I must say I'm still somewhat pleased to the sample I managed to pull together with really huge thanks to a certain SSP Finland employee. After interviewing three industry and customer pool representatives one might say that their opinions and thoughts do not represent the majority, but in my opinion there were that many commonalities within answers that they can be regarded as a reflection of industry norms.

Whether different researchers would achieve similar results and recommendations for SSP's service optimization, I believe so, taken that they take the same approach to the study as I did. I had quite free hands in determining on what base I will study this phenomenon. Had I, or someone else, chosen completely different interviewees it is hard to tell how different the outcome of the report would have become.

Patton (2002, 549) lists a few key determinants to assess author's reliability (condensed): Systematic inquiry, integrity/honesty, respect for people (fairness) and responsibility to the general public welfare (taking into account diversity of interests and values). When it comes to systematic inquiry and time management I suppose there could have been room for improvement. Time became an issue in the end and it limited my sample size. However data collection was systematic. I believe I have been

completely honest and respectful in my writing and analysis and I believe my own reflections and conclusions are valid. This topic does not include factors that would be controversial or sensitive by any means.

Also it was in my initial intention to interview flight customers at the airport which could have brought more depth to my study but Finavia did not grant me a permission to conduct interviews inside the departure area (after security checks where nobody is in a hurry).

The original idea was to interview airline representatives but there were two reasons for dismissing this idea. Airlines do not necessarily have their flight customers' mobile phone numbers which naturally brings several practical issues regarding this study. Also large negotiations between SSP Finland and various airlines started within the early phases of this study and I wasn't allowed to interview airline representatives during these negotiations.

5.5 Ethical reflections

Patton (2002, 408) provides an ethical checklist for researchers that I will also use in this subchapter.

Some of the interviewees expressed their concern regarding publishing names in a public research and thus I decided to leave out all the interviewee names and company names that they represented. Knowing the names of the companies is not essential information.

Also by this way I ensured that none of the interviewed persons put their professional career or their company's business goals in jeopardy, despite the fact that the interviewed topics may not even be regarded as confidential information.

5.6 Further research

I recommend further studies related to use of electronic voucher to deal with technical issues related to the voucher. That would not naturally be a research in the field of marketing but an interesting one whatsoever.

Also a deeper study or model could be created for service blueprinting. This way key failure points could be identified and illustrated in a clear and easy way.

As mentioned before, regular flight customers were not interviewed in this research and it might be interesting to know more about the differences within business professional's opinions and experiences and regular flight customers'. Studying that might also bring more validity and perspective to this specific study.

5.7 Researcher's learning

This research has also been a great learning experience for me, the researcher. Like for many, this was the first major individually executed research for me and it did give me many good things for the future.

The research topic was very practice oriented and in the beginning of the project I really struggled while thinking for appropriate theoretical phenomenon to study. Theory part serves as a study of prior similar studies and their results and it was quite challenging for me because of a very tailored and specific need and purpose of study but I think I came through and found a coherent whole that backs up my empirical research.

One important thing was that I learned a lot about filtering out irrelevant information from relevant. The amount of data and information is just astounding and it confuses young researchers because abundance of information makes decision making about which path to take and where to go with a research, more difficult.

Also the time spent working on the theory part was immense enough that I feel like I know everything about service design that there is to know, as well as other parts too. I

learned that one can learn so much when really focusing on specific topics. During courses at school there is a lot that needs to be covered within 7-8 weeks and it always ends up being a scrape of the surface.

I also got a lot out of working with and interviewing business professionals. Especially because this is a very relevant and fresh topic of real business need. The qualitative interviews that I conducted gave me a sense of being involved in the decision making regarding digivoucher because I already knew so much about it myself and when I heard the interviewees state their opinions and experiences and realized what needs to be done right away. The interviews were quite like normal conversations but just with a business focus and I am glad I got to be a part of those interactions.

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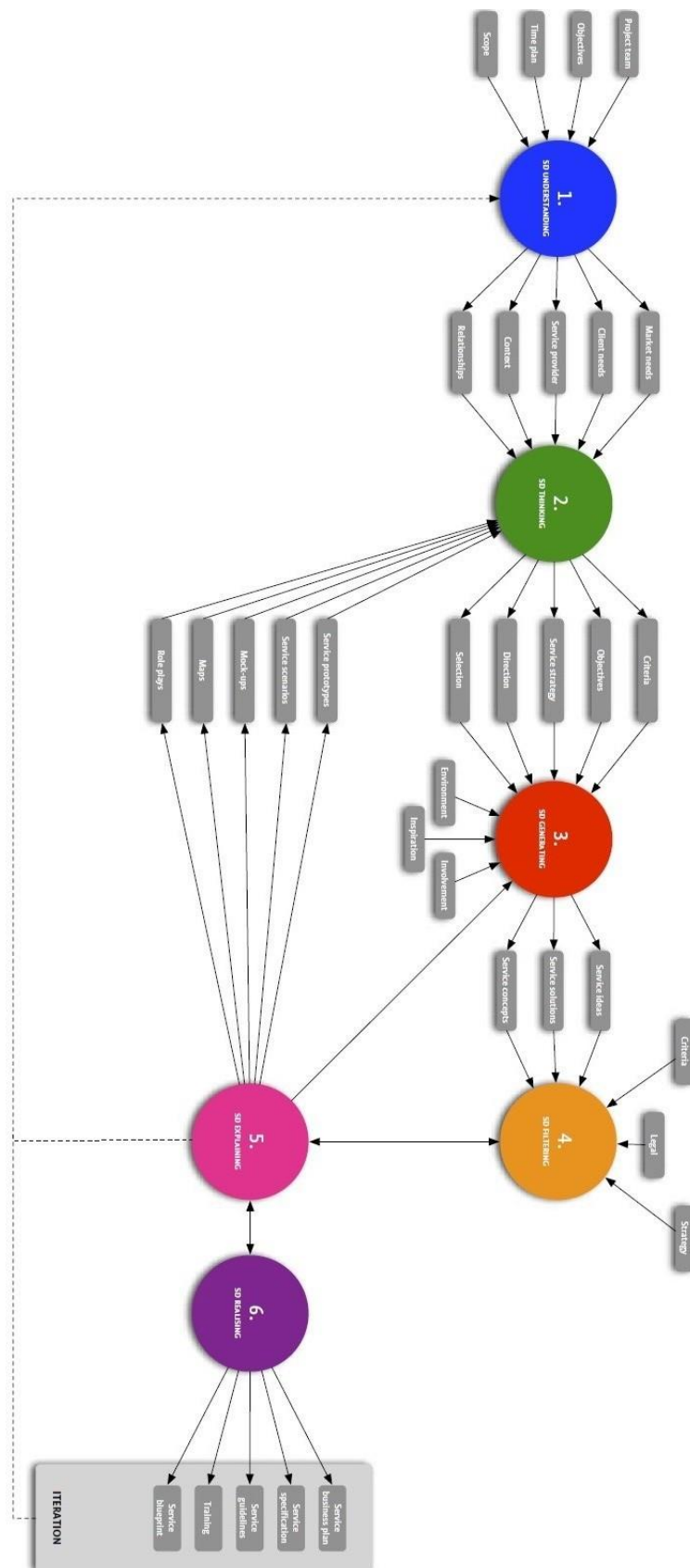
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Attachments

Attachment 1. Service design model (Moritz 2005, 158)



23 Apr 2013

Interviewer: Henri Kirsi

Interviewee:

Title:

Open interview

1. How long has the system been in place? When were the first trials?
2. What are the motivators that got SSP Finland into implementing digivoucher?
3. Business potential? Goals of digivoucher?

Interviewer: Henri Kirsi

Interviewee:

Title:

Open interview

1. How do you use the electronic communication system (digivoucher) currently?
(What is good about the current system? What kind of feedback? Negative features and flaws?)

2. How do you manage the system?
(Timing? Groups?)

3. What kind of compensation procedures are involved in your daily business? How managed?
(Legal responsibilities?)

4. How much potential does the electronic communication system have?
(Compensation situations? What would the change require?)

Interviewer: Henri Kirsi

Interviewee:

Title:

Open interview

1. How would you describe your current compensation procedure? How do you go about it?

(Follow up questions: What is good about the current system? What kind of feedback have you gotten from customers? Can you think of any negative features or flaws related to it?)

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2. How do you feel about the electronic alternative?

(Open question seeking: personal + professional opinion, and also experiences)

(Follow up questions: At the moment do you see anything good in it? What is it that makes it undesirable?)

3. Do you see potential in the system in the future?

(Follow up: What needs to be changed to make it desirable? What are the business prospects and what needs to change to make it happen?)